

Honorable Senators and Esteemed Energy and Technology Committee Members:

I am writing you to communicate our positive experience with Public Act 295 the Energy Optimization Act for Renewable Energy 2008. Since the act was passed in 2008 and went into effect in June of 2009, we have experienced tremendous growth in our business while retaining jobs and creating other local Michigan jobs and lowering the carbon footprint of Michigan. I represent Honeywell International Incorporated's Energy Business Unit. We sell Energy Savings Performance Contracts (ESPC) to our client base here in Michigan. In 2009 our Michigan ESPC sales in Michigan totaled \$31.5 Million. An ESPC installs much needed infrastructure improvements in our client's portfolio of assets with an annual guarantee that the energy and operating cost savings will pay for the improvements over a period of time. Typically the time period is 10-15 years. ESPC sales in Michigan in 2009 represented growth of 34 percent year over year compared to 2008. Our normal growth rate is about 5-6 percent. In 2010, our Michigan ESPC Sales grew to \$34.5 Million. This brings the past two year sales total to \$66 million which were the 2 years that Public Act 295 has been in operation. Our sales never would have grown by this amount without Public Act 295.

Our Michigan sales were achieved primarily in public sector markets consisting of K-12 Schools, Community Colleges, State Universities, Cities, Counties, Villages and Townships which you know have been hurting due to State funding cuts, revenue sharing cuts/eliminations, property tax erosion due to the mortgage crisis, foreclosures and loss of jobs. Public Act 295 provided added incentive to our customers to do energy efficiency projects since the Act rebates money back to our clients once the energy conservation measures are installed and operating. Public Act 295 provided in excess of \$2 million dollars in money that was rebated back to our customers over the past 2 years for installing energy savings improvements in their facilities and infrastructure. This incentive was well received both at the Administration level and the elected official's level when it came to approving the ESPC work.

The US Department of Energy statistics suggest that for every \$91,000 in an ESPC, one (1) job is created or retained in accordance with the American Recovery and Reinvestment Act (ARRA). With Public Act 295, the Michigan Legislature together with Honeywell and all the subcontractors in the implementation chain of our ESPC's **created or retained 725 Michigan jobs**. All the work in our ESPC's is performed by Michigan Contractors and suppliers. Public Act 295 kept contractors such as window, door, building envelope, mechanical, Heating Ventilating and Air Conditioning, Electrical, Lighting, plumbing and temperature control contractors working in ur great State. In addition to the jobs, we helped many businesses stay afloat with this work to pay Michigan Sales Tax and Use taxes. We estimate that together the Michigan Legislature by passing Public Act 295 together with Honeywell implementing the \$66 million in ESPC's that **we have helped our State save annually in excess of 6713 Metric Tons of Carbon Dioxide emissions**. This is equivalent of **removing 1316 cars from the road, saving 752,596 gallons of gasoline, saving 15,612 barrels of oil, or planting 172,132 trees each year**.

In summary, Honeywell wishes to thank and acknowledge the Senate and Michigan House of Representatives for passing Public Act 295. We believe that Public Act 295 has not only helped your constituents with fiscal responsibility initiatives like Honeywell's ESPC's, but also job creation in trying economic times, and the ability to be more proactive in the management of their facilities and infrastructure. Public Act 295 is environmentally responsible and Green. Public Act 295 is good for Michigan. Please keep it in operation!

May God Bless you as lead our Great State.

Sincerely,

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